C2700-1

Automotive News

August 7, 1989

©Entire contents copyright 1989, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

64th year—$60.00 per year, $1.50 per copy

Credit unions fight for lost loan share

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

With Ralph Nader's blessing and the help of syndicated consumer auto writer Remar Sutton, credit unions have mounted an aggressive campaign to regain auto financing market share.

The targets of the campaign are those sources making retail new-car loans through dealers — banks and captive finance arms.

A credit union brochure advertising the Chicago conference that kicked off the campaign last week accuses captive finance arms of using "pressure, deception and confusion" on car buyers.

The campaign, sponsored by the Credit Union National Association, will help credit unions install "an auto adviser service and auto library" to give members information on car buying, auto safety and other matters.

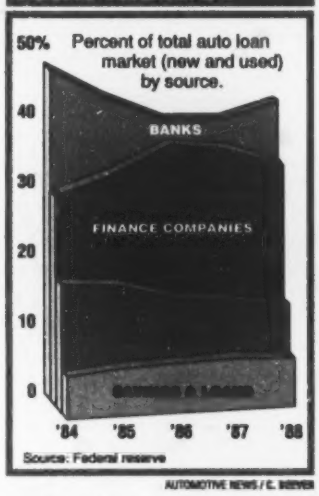
It is the credit unions' first large-scale assault on dealers' finance and insurance operations, their major profit center. The credit unions blame special-rate financing — such as the annual percentage rate incentives — for the decline of their market share.

Executives of captive finance arms say they respect credit unions as competitors.

But J.E. Farrell, president of Chrysler Credit Corp., said credit unions will have to match banks' and finance companies' massive

see LOANS, page 77

Share of auto loan market



AUTOMOTIVE NEWS / C. BREYER

Chevy overhauls Geo strategy

Perkins era fast off line

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chevrolet has overhauled its Geo advertising campaign and its product strategy for the 1990 model year to give dealers the opportunity for higher volume and bigger profit margins.

The Geo change is but one major move J.C. "Jim" Perkins has made as Chevrolet general manager for the past three months.

Since taking over May 1, Perkins also has:

- Re-established a field organization so Chevrolet representatives call on dealers face to face.
- Set in motion a restructuring of product management to give program managers more clout.
- Elevated the role of motorsports within Chevrolet.

In an unusual move for General Motors, Perkins was lured back to Chevrolet after a four-year stint with Toyota.

Perkins said he and his staff have spent substantial time on Geo marketing and product plans and where Geo is headed. Geo is Chevrolet's line of vehicles imported from GM's Japanese partners and built through joint ventures.

Chevrolet wouldn't provide details about the new ad campaign. It will be unveiled to dealers next week.

For the 1990 model year, Perkins said Geo's model lineup will "have

see PERKINS, page 73

AUTOMOTIVE NEWS/JIM WILKINS

Chevrolet boss Jim Perkins is giving a push to Geo volume and profits.

Sales climate chills mall fever

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

Declining new car sales and tough local zoning issues are quashing plans for auto malls and parks in parts of the country.

Once touted as one of the hottest retailing concepts of the '80s, multi-dealer retail centers have been shelved in several markets — at least until the sales outlook improves. First half U.S. car sales were down nearly 400,000 units to 5.1 million from a year ago.

A number of large dealers have had to abandon mall development plans or put them on back burners. Projects have hit snags in Maine, New York, Florida, Tennessee, Massachusetts and other states.

Auto retailing centers sprang up in part because of their ability to provide shoppers with a wide range of choices in one centralized complex. Also fueling the trend toward many makes under one roof is the evolution of megadealers with multiple franchises.

Enclosed auto malls frequently are controlled by one dealer with different lines, while open-air auto parks typically bring

see MALLS, page 73

Poole Partnership Architects in Orlando, Fla., designed this auto mall, but it has not been built.

HANS STAARTJES

Early bird strategy

Tommy Friedkin's Westside Lexus in Houston got the first of 1,000 cars shipped to 29 dealers last week, and Tiffany Kendall looks them over. Infiniti is also trying to round up early sales. Stories, Page 6.

Transplants sort out labor's role

Japanese are used to unions, but not U.S.-style unionism

As U.S. transplant operations of the Japanese manufacturers come on stream, labor itself is seeking to redefine its role in a manufacturing process that is different than traditional Big 3 practices.

Based on the concept of teamwork, some have taken it to mean that unions are not needed in the Japanese system, as is the case with the recent union vote taken at Nissan Motor Manufacturing.

But both Japanese managers and labor experts say that while Japan thrives on consensus management, that doesn't mean there is no tension between workers and those who lead them.

"American people always say that we have no unions in Japan so we have no experience managing or negotiating with union people," says Yoichi Nakane, president and chief executive officer at Diamond-Star Motors, the Illinois joint venture between Chrysler Motors and Mitsubsihi Motors Corp.

Transplant Section, Pages 52-59

"But that's not true," he said. "We have unions in Japan and their demands are the same, like environmental issues or wage increases. But in Japan, our attitude is that management should consider associates as human beings and an asset to the company. That attitude should help us resolve any problems we have in the future."

Professor Shozo Inoue of Hiroshima University said semantics sometimes disguise that tension. He said Japanese managers often emphasize "harmony" and "cooperation." And collaboration between workers and management may be seen by U.S. union forces as capitulation.

As a result, some American workers may look at the Japanese message of "harmony" at the transplants with deep suspicion.

Likewise, American managers looking across town at the Japanese setup may want to imitate the Japanese, but for the wrong reason. Inoue said he has visited U.S. firms where managers expressed

see PLANTS, page 52

NEWSPAPER
INS
**********5-DIGIT 20814
030322908 01AN0089332 COMPXP2
ACQ EDITOR
ACQ EDITOR SRI
CONGRESSIONAL INFO SERV
4520 EAST-WEST HWY STE8
BETHESDA MD 20814

July car sales lowest since '82:
Ford and three Japanese transplants lead a small gain by domestics, but imports lost more. Page 78.

Ford ups rebates, watches GM on carryover payout

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. plans to clean up its 1989-model inventory with more generous cash rebates to consumers instead of its traditional 5 percent carryover allowance to dealers.

Ford officials say they are not planning any carryover allowance unless General Motors changes its policy. GM announced several weeks ago that it will not pay a 5 percent carryover allowance to dealers this year. Instead, GM instituted a program that pays dealers up to $1,000 per sale for performance against quota.

"Our philosophy has been to keep our dealers competitive; we've not chosen to announce a 5 percent carryover or any carryover rebate because we do not know what these incentive programs are going to do," said Ross Roberts, general manager of Lincoln-Mercury Division.

Ford's new incentive program offers a choice between cash rebates ranging from $300 to $4,000 and low financing, ranging from 2.9 percent for 24 months to 10.9 percent for 60 months. Roberts said Ford is planning to spend more money on incentives than it did in the last program, which ended July 31, but he would not specify what the company has allocated per car.

The new Ford program focuses on rebates. While many rebates have been sweetened, Ford has raised the annual percentage rates on its 36- and 48-month loans.

Low financing has become less attractive as interest rates drop, Ford said. Seventy percent of its buyers choose a rebate and many of those buyers are shopping for financing at their local banks, Ford said.

Roberts and Tom Wagner, Ford Division general manager, said Ford is not planning to offer any dealer contests, including salesperson and sales manager incentives, during the last quarter of the 1989 model year. Money normally used for those programs has been channeled into customer incentives.

Presently, Ford and L-M have a 66-day supply of cars and Ford has a 70-day supply of trucks, Wagner said. Ford would like to clear that inventory before 1990 models arrive this fall.

Despite what looks like a soft sales environment, Ford announced an average pre-sell price increase of 4.8 percent on its Ford, Lincoln, Mercury and Merkur models. The prices, which are subject to change, reflect the addition of new passive-restraint equipment and the higher cost for materials. On comparably equipped models, pre-sell prices have increased 2.5 percent.

"It (the effect on sales) really comes down to what kind of value the consumer assigns to passive restraints," said Wagner.

"The numbers (percentage increases on prices) are larger than they (consumers) have seen in the past, but we do have to cover our costs in terms of raw materials and the labor costs as well as the (passive-restraint) device costs. A short prescription for trouble is not to price for them," he said.

Ford's new incentive program, which began Aug. 1 and runs indefinitely, offers consumers a choice between cash rebates and low-interest financing.

The financing rates are 2.9 percent for 24-month loans, 6.9 percent for 36-month loans, 7.9 percent for 48-month loans and 10.9 percent for 60-month loans. The previous program offered 36-month loans for 5.9 percent and 48-month loans for 6.9 percent.

The following vehicles are being offered with a choice of rebate or cut-rate financing: $500 on all Probes and Mustangs equipped with 2.3-liter engines and manual transmissions; $600 on Festiva L, L Plus and LX models; $750 on Ranger S, Rangers equipped with automatic transmissions and Bronco II; $1,000 on Rangers

See INCENTIVES, page 76

Sporty Corrado viewed as VW comeback car

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

CORONADO ISLAND, Calif. — Volkswagen's new Corrado G60 sports car means more to VW than classically conservative Wolfsburg-crafted lines and limited-edition status.

VW hopes to use Corrado to wrest the small-car market it once owned from Pacific Rim competition with a sports car priced near fire-sale levels.

The move, if successful, could nip away at market share and bolster VW's sagging image as a value leader.

"We will be moving to a more consumer-focused, value-focused product line," said William J. Young, vice president of Volkswagen United States. "Basically we are back in the marketplace rebuilding the company."

Young pegged the suggested base retail price of the 1.8-liter supercharged 2+2 coupe at $17,900. Options for the car — including anti-lock brakes, heated leather seats, sunroof and metallic paint — will likely push that price over the $20,000 mark.

The Corrado is the first VW vehicle introduced since Young took the sales helm in February. Young succeeded James Fuller who died in the crash of Pan-Am flight 103 in Scotland last December.

To kick off his tenure at VW, Young went on a 30-day tour across the country talking to dealers. Their message to him: Be aggressive.

Young said following the trip he instituted broad-based sales incentives and a long-term test drive program.

Of the 30,000 Corrados built for world consumption, VW officials predict they will sell 1,800 to 2,000 cars in calendar-year 1989 following its September introduction. They plan to sell 10,000 Corrados in its first full calendar year in 1990.

A value-leader sales approach is not typical — it is almost contradictory — for a production-constrained, limited-edition car aimed at the enthusiast market. Still, Young sees value marketing as VW's charge.

He did say, however, that the company will not abandon its German engineering campaign that has been the cornerstone of VW's advertising.

"As far as VW is concerned, we are not moving upscale in the product line. We are not going to try and convince the consumers they will have to give us a premium price because of the high level of technology in the car," Young said.

VW's demographic research suggests potential Corrado buyers are male, 18 to 34 years old, who want cars with sporting performance. They currently own, or have a history of buying, a European car, and their current vehicle dates from 1983 through 1987 and was bought new.

Many of the Corrado sales prospects own or have owned a VW Scirocco.

VW will advertise the Corrado with long-copy print ads.

Without disclosing specifics about the texture of its upcoming campaign, Young said part of the ad plan calls for the Corrado's price to be included: "We are talk-

see CORRADO, page 76

The sticker price for VW's supercharged Corrado G60 starts at $17,900.

Corrado growls with supercharger

By Dutch Mandel
AUTOMOTIVE NEWS STAFF REPORTER

CORONADO ISLAND, Calif. — Volkswagen's Corrado G60 coupe gives VW dealers their first new sport coupe since the Scirocco was dropped. The package carries VW's conservative family lines.

"The Corrado wears a VW style," a company official said. "You get the VW identity just from the way it looks."

But it is primarily what's under the Karmann-mounted skin that makes the Corrado unique in the production sports-car realm. Powered by a derivative of VW's ubiquitous 1.8-liter, fuel-injected four-cylinder powerplant, its technological advancement is a mechanically driven G60 supercharger, called the G-Charger.

Though performance results of supercharged and turbocharged engines

see G60, page 76

Chrysler trims perks in battle to slash costs

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Chrysler Corp. confirmed last week that it would indefinitely eliminate some traditional executive perks and a company-funded employee savings plan as part of its $1 billion cost-cutting plan.

A Chrysler Corp. spokesman said memberships to private clubs may be one of the items cut from the executive perk list. Chrysler may also delay the eligibility for such executive level perks for some high-level employees, the spokesman said.

Beginning Oct. 1, Chrysler will no longer contribute to a company-funded savings plan for employees. Currently, Chrysler's salaried employees can put a portion of their salaries into savings and the company contributes 50 cents in Chrysler common stock for every one dollar an employee saves. Only the first 6 percent of salary is eligible for the company's matching program, the spokesman said.

The spokesman declined to say how much the company hopes to save with the elimination of selected executive perks and the company savings program.

Two weeks ago, Chrysler announced a 15-month, $1 billion cost-reduction program, beginning in October. The plan includes the elimination of 2,300 white-collar jobs by early retirements, buyouts and layoffs.

In addition, 2,000 top executives are being asked to put into escrow during the 15-month cost-cutting period up to 10 percent of their salaries. Participants in the escrow program will receive half, double or none of the amount escrowed, depending on how well Chrysler does in meeting its $1 billion goal.

Chrysler said cost cutting is necessary to trim "fat" from the company's budget in the face of increasing costs and lower sales volumes.

Fitch Investors Service, New York, downgraded Chrysler's bond ratings as a result of the downward trend in U.S. sales and Chrysler's "reduced financial flexibility." Fitch lowered its ratings on Chrysler Corp.'s senior debt to BBB from A- and Chrysler Motors' senior debt to BBB+ from A. It continued to give Chrysler Financial an A rating on senior debt, A- on senior subordinated debt, BBB+ on junior subordinated debt and F-1 on commercial paper.

Automotive News wins lawsuit

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

ANN ARBOR, Mich. — A federal court has ordered Automotive Electronic News to eliminate either "Automotive" or "News" from its title by Oct. 1, 1989.

U.S. District Judge George LaPlata last Friday permanently enjoined Fairchild Publications, a division of Capital Cities/ABC Inc., from using both "Automotive" and "News" in the name of its publication following a 16-day trial.

Judge LaPlata ruled in favor of Crain Communications Inc., which publishes Automotive News, saying that subscribers and advertisers could confuse the names Automotive Electronic News and Automotive News.

However, Judge LaPlata ruled the infringement was not willful or malicious. No damages or attorney fees were awarded.

Judge LaPlata ruled that Automotive Electronic News can continue to use its editorial format, or appearance.

"This is an important victory for Crain Communications because it protects the Automotive News trademark," said Ray Scott, an attorney for Crain Communications.

There was no comment from Fairchild's attorneys.

Crain Communications filed the federal trademark infringement suit March 23, shortly after Automotive Electronic News began publishing.

Clarification

A July 31 legal brief failed to report that Bob Willow Motors of Menomonie, Wis., won treble damages from General Motors in an unfair termination case.

His lower court award of compensatory damages trebled to $1,203,000 plus interest of $253,631.72 and attorney fees of $107,597 were upheld by an appellate court, which also awarded him appeal attorney fees of $45,891.61. Willow did not win separate punitive damages nor reimbursement for expert witnesses.

Bob Willow Motors is still in business with Chrysler, Plymouth, Dodge truck, Jeep and Eagle franchises.

Dodge Stealth offers all-wheel drive and a twin-turbocharged engine.

Dodge plans '91 intro of Stealth sports car

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Motors confirmed last week that Dodge will market the Stealth, a sleek four-place sports car based on the Plymouth Laser/Eagle Talon platform, in the 1991 model year.

Mitsubishi Motors, which will build the car in Japan, also will offer a version of the sports car. Mitsubishi's Starion name will not be used on the new model.

Automotive News reported in late 1988 that Dodge and Mitsubishi would introduce a high-powered four-place "baby Ferrari" sports car in 1991 (Automotive News, Dec. 12, 1988).

The price of the Dodge Stealth is believed to be in the $25,000 range.

Last week a Dodge spokesman said the car will be a front-wheel-drive model with optional all-wheel drive.

Mitsubishi's 3-liter, 24-valve, naturally aspirated V-6 will be the base engine. An optional twin-turbocharged version will provide acceleration from 0 to 60 mph in "the low 5-second range," a Dodge spokesman said.

The Dodge Stealth, inspired by the Intrepid concept car that appeared on the auto show circuit, was designed by Chrysler Motors and engineered by Mitsubishi. The two automakers have worked on the project since 1987.

John Damoose, Dodge vice president, said Stealth will be the new lead image car for the division and an example of Dodge styling in years to come.

"Stealth will be the first in a series of new products over the next few years that will revolutionize the Dodge product line," he said.

No price or sales volume have been announced for Stealth, although one analyst estimated the price at $25,000.

Dodge said Stealth will be more upscale than the current Dodge Daytona but not as expensive as the Dodge Viper, an exclusive sports car Chrysler Motors tentatively plans to introduce in the 1990s.

According to Chrysler, the Stealth name was used on a navigational system on one of its concept vehicles in the mid-1980s. It was not adopted from the Stealth B-2 bomber currently being considered by the U.S. Congress, Chrysler said.

Mitsubishi's as yet unamed version of the Stealth may look similar to this drawing.

HIDDEN IMAGE/HANS G. LEHMANN

Subaru-Isuzu tells it like it is

Films show applicants that job is tough; many walk away

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

Workers at Subaru-Isuzu Automotive's assembly plant in Lafayette, Ind. — the newest transplant — can't say they weren't forewarned about the fast pace car production requires.

The discrepancy between the picture workers get of a Japanese transplant during orientation and the actual work in the factory has produced the first labor-management tension at several transplants.

Applicants for jobs at Subaru-Isuzu's new plant, scheduled to begin production in September, watch videos that show actual work tempo and reiterate the importance of "quick work pace" as well as quality. Applicants also participate in fast-paced work simulations.

A large number of Subaru-Isuzu applicants are screened out in the course of the selection process and about 10 to 15 percent screen themselves out after watching the videos, said Richard Wellins, senior vice president for programs and marketing at Development Dimensions International.

Development Dimensions International helped Subaru-Isuzu design its worker-selection process. The firm scripted the videos and designed the simulations.

Some workers at U.S. transplant facilities — particularly at Mazda Motor Manufacturing (U.S.A.) Corp. and Nissan Motor Manufacturing Corp. U.S.A. — have complained their orientation did not prepare them for the difficult work pace on the line.

A stern voice in the first video shown to applicants for jobs at Subaru-Isuzu says, "There is no slack time. Work tempo always remains fast and consistent." The voice also tells applicants they will be expected to pay attention "every minute," to "adapt to rapidly changing conditions," to hold quality meetings and clean up their areas on their own time and to work overtime and on weekends.

Applicants watch another video before they participate in an assembly simulation requiring 15 steps. The video repeats that they must "work at a quick work pace without wasting time or materials. . . . The pace is important. So is quality. . . . You may notice the assessor checking your pace."

Applicants must view a videotape showing the quick work pace.

Rapid-tempo background music drives home that theme. Applicants are told that, following the simulation, they will be expected to suggest ways to cut the time required to do the job, as is the case for workers in the plant.

Jeanne Wilson, a Development Dimensions International industrial psychologist and project manager for the Subaru-Isuzu selection process, said the process was not so much the result of publicized

see JOBS, page 77

BRIGHTER: *Decline in cost of borrowing may hike profits for automakers' finance firms*

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

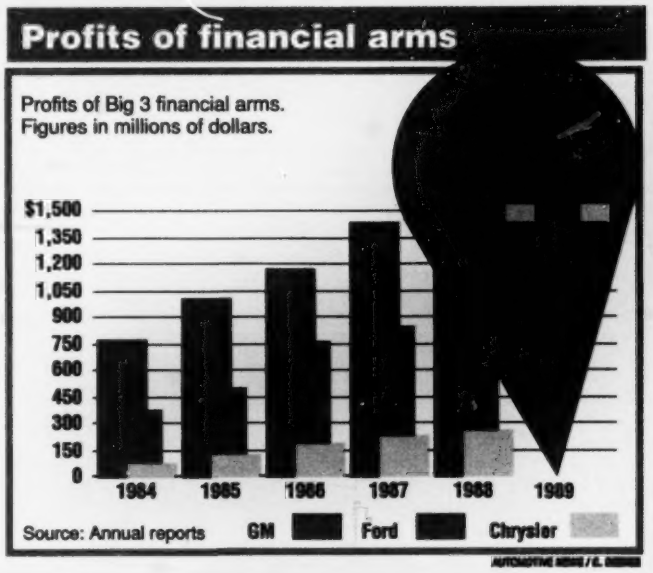
As the automakers' finance companies head into the second half of 1989, falling interest rates give them a shot at a better — though not likely a record — year.

Rising interest rates — the rates at which the finance firms borrow the money to conduct their operations — narrowed their margins in 1988 and the first quarter of 1989. General Motors Acceptance Corp. and Ford Motor Co.'s financial services group each reported profit slumps of 20 percent for the second quarter, while profits at the more diversified Chrysler Financial Corp. fell just under 7 percent.

In the fierce scrambling for dealer and car-buyer financing, the captives' profits shrank though they captured bigger shares of auto financing volume.

Interest rates have dropped since the highs of last winter, which in-

see FINANCE, page 25



INDEX

Auction dates	62
Books of interest	32
Coming events	50
Dealing with dealers	48-49
Engineering	16
Incentive watch	76
Legal briefs	44
News briefs	8
Opinion	12
Personnel	47
Production	79
Sales, car	78
Sales, import car	78
Truck industry	14

64th year—No. 5299

Advertising Production Department .. (313)446-6063
Circulation Department
In Michigan ..... (313) 446-0480
Outside Michigan 1-800-992-9970
Classified Ad Department ..... (313) 446-6085
Display Ad Department ..... (313) 446-6030
Editorial & Business Offices ..... (313) 446-6000

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Cadillac latest to charge dealers a mandatory ad fee

By Laura Clark and Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Cadillac will assess a mandatory 1 percent charge on each car's invoice for local dealer advertising beginning this fall.

Cadillac joins Oldsmobile, which also will collect the fee beginning this fall. They follow the lead of Chevrolet and GMC, which began assessing the fee a year ago.

The Cadillac program is patterned after those at other GM divisions. Cadillac's assessment is 1 percent of the manufacturers suggested retail price including options. It doesn't include destination charges, and it doesn't apply to GM employee discount vehicles.

Twenty-five percent of the assessment will be returned to dealers.

The fee applies to all Cadillacs except Allante, the division's flagship two-seater.

Peter Levin, director of advertising, said the division didn't include Allante because it didn't want to add marketing costs to the $56,000 car.

Levin said dealer ad groups can select their own advertising campaigns. Cadillac supplies ad groups with music and film footage, but they are not required to use it.

Oldsmobile requires dealer ad groups to use either the Oldsmobile themeline, music or footage to receive factory co-op funds.

While dealers can do what they want with the 25 percent refund, Cadillac strongly suggests dealers use it specifically to advertise their dealerships, Levin said.

Dealers who don't participate in dealer ad groups still will be assessed the 1 percent fee and refunded 25 percent of it. Cadillac will boost national advertising in local markets where dealers don't participate in ad groups.

While Oldsmobile expects its collections to rise from $58 million to more than $100 million annually under the 1 percent program, Cadillac would not reveal figures.

But Levin said its collections will increase at least 25 percent. He said many dealer groups already have increased per-car ad spending because Cadillac competitors have.

"Our dealers in general — and dealer marketing groups — were sensing this competitive challenge already in the last two years," Levin said.

"On their own, they already have increased their per-car contribution."

In addition, Cadillac will boost overall divisional advertising for the 1990 model year and will allocate more to dealer marketing than in 1989. Levin wouldn't reveal how much spending will increase.

Cadillac doesn't have a formula for its allocations to dealer ad groups as some divisions do. Levin said the division analyzes the market and appropriates the money on a case-by-case basis.

He said Cadillac decided to adopt the 1 percent program to keep pace with increased ad spending by competitors and to be consistent with its sister GM divisions, with which many Cadillac dealers are dualed.

So far, Buick and Pontiac maintain they won't mandate the 1 percent assessment, although corporate pressure to follow suit could eventually cause them to do so.

The divisions now encourage dealer ad groups to use the program, and several have signed up. A Buick dealer said 97 percent of Buick dealers will use the 1 percent system to collect local ad funds.

Pontiac has made only one change in its policy this year.

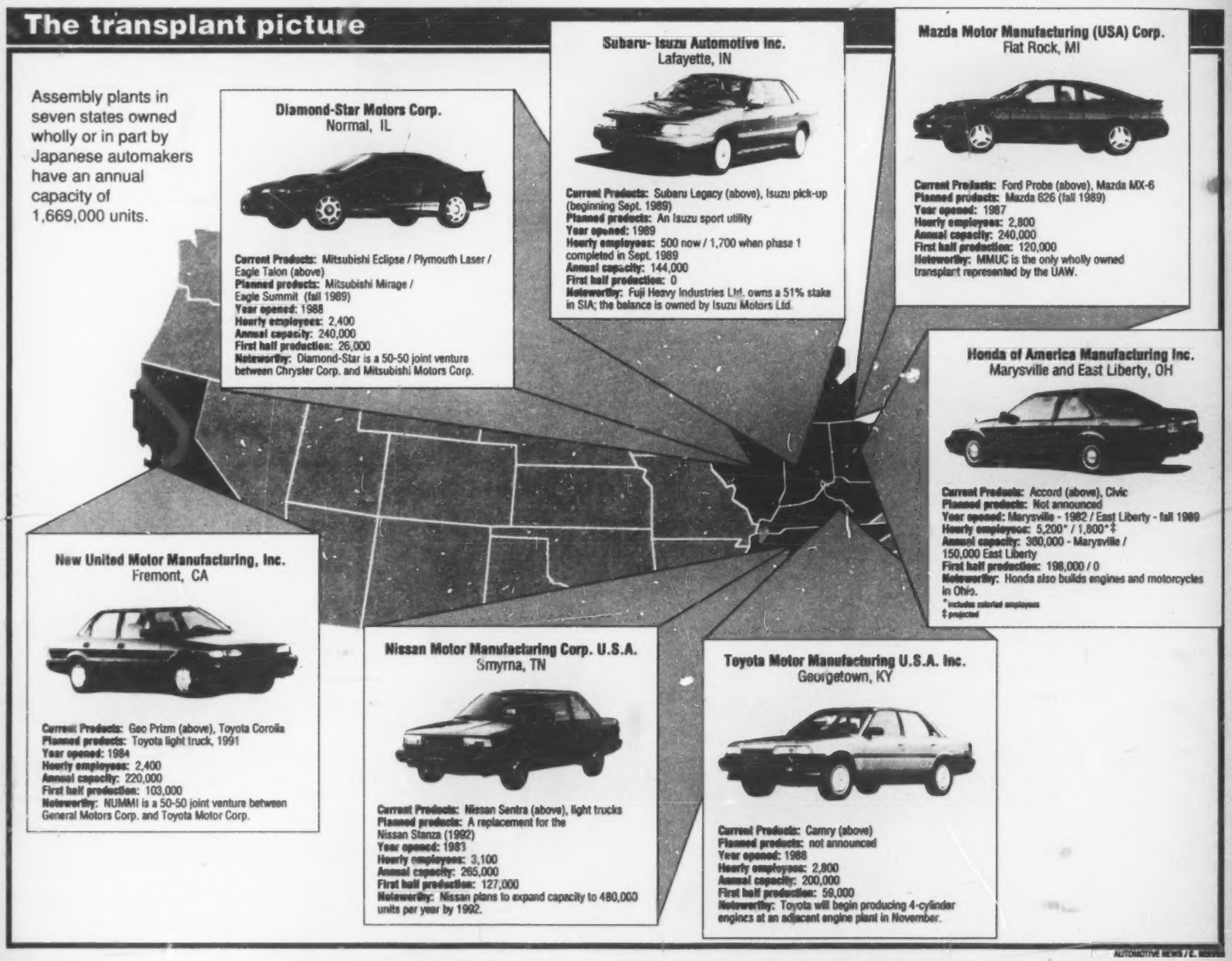
Pontiac told dealers recently they no longer can withdraw from a dealer advertising group at any time during the year. Instead, dealers have 15 days in January in which to withdraw.

The change is to prevent dealers from dropping out of ad groups on a whim.

TRANSPLANTS ON STREAM

The transplant picture

Assembly plants in seven states owned wholly or in part by Japanese automakers have an annual capacity of 1,669,000 units.



Diamond-Star Motors Corp.
Normal, IL

Current Products: Mitsubishi Eclipse / Plymouth Laser / Eagle Talon (above)
Planned products: Mitsubishi Mirage / Eagle Summit (fall 1989)
Year opened: 1988
Hourly employees: 2,400
Annual capacity: 240,000
First half production: 26,000
Noteworthy: Diamond-Star is a 50-50 joint venture between Chrysler Corp. and Mitsubishi Motors Corp.

Subaru- Isuzu Automotive Inc.
Lafayette, IN

Current Products: Subaru Legacy (above), Isuzu pick-up (beginning Sept. 1989)
Planned products: An Isuzu sport utility
Year opened: 1989
Hourly employees: 500 now / 1,700 when phase 1 completed in Sept. 1989
Annual capacity: 144,000
First half production: 0
Noteworthy: Fuji Heavy Industries Ltd. owns a 51% stake in SIA; the balance is owned by Isuzu Motors Ltd.

Mazda Motor Manufacturing (USA) Corp.
Flat Rock, MI

Current Products: Ford Probe (above), Mazda MX-6
Planned products: Mazda 626 (fall 1989)
Year opened: 1987
Hourly employees: 2,800
Annual capacity: 240,000
First half production: 120,000
Noteworthy: MMUC is the only wholly owned transplant represented by the UAW.

Honda of America Manufacturing Inc.
Marysville and East Liberty, OH

Current Products: Accord (above), Civic
Planned products: Not announced
Year opened: Marysville - 1982 / East Liberty - fall 1989
Hourly employees: 5,200* / 1,800*‡
Annual capacity: 360,000 - Marysville / 150,000 East Liberty
First half production: 198,000 / 0
Noteworthy: Honda also builds engines and motorcycles in Ohio.
*includes salaried employees
‡ projected

New United Motor Manufacturing, Inc.
Fremont, CA

Current Products: Geo Prizm (above), Toyota Corolla
Planned products: Toyota light truck, 1991
Year opened: 1984
Hourly employees: 2,400
Annual capacity: 220,000
First half production: 103,000
Noteworthy: NUMMI is a 50-50 joint venture between General Motors Corp. and Toyota Motor Corp.

Nissan Motor Manufacturing Corp. U.S.A.
Smyrna, TN

Current Products: Nissan Sentra (above), light trucks
Planned products: A replacement for the Nissan Stanza (1992)
Year opened: 1983
Hourly employees: 3,100
Annual capacity: 265,000
First half production: 127,000
Noteworthy: Nissan plans to expand capacity to 480,000 units per year by 1992.

Toyota Motor Manufacturing U.S.A. Inc.
Georgetown, KY

Current Products: Camry (above)
Planned products: not announced
Year opened: 1988
Hourly employees: 2,800
Annual capacity: 200,000
First half production: 59,000
Noteworthy: Toyota will begin producing 4-cylinder engines at an adjacent engine plant in November.

AUTOMOTIVE NEWS / E. 89

PLANTS

FROM PAGE 1

an interest in the Japanese system, but what they really "wanted was a union-free environment."

The Japanese concept of a union-management relationship is a partnership, Inoue said; not a "buddy-buddy" system, but a partnership between two sides, with some tension between the two.

Americans tend to think the "Japanese worker is docile, like an obedient dog," Keio University Professor Haruo Shimada said. "That is wrong."

University of Michigan Professor Robert Cole said there are differences in the demands of Japanese and American unions.

Cole, who has spent the last year at Keio University in Tokyo, wrote a book called "Japanese Blue Collar" in the 1960s. He worked on a Japanese assembly line for research.

Cole said the Japanese have worked to maintain the seniority system while the Americans based their negotiations on a separation of skills. As a result, U.S. domestic operations have many times the job classifications of Japanese plants.

While there is a worldwide movement to adopt what has been called Japanese-style labor relations, Cole said to call it Japanese is not appropriate. Management now recognizes it must have the cooperation of labor, Cole said. That does not mean the union has to be in bed with management to accomplish the goal; it means the all-out confrontational system, where American managers will not listen to the labor force, will not work.

But there may be a backlash by some elements on the shop floor to labor-management cooperation.

Inoue said he is not surprised at the dissident movement within the UAW at Mazda's Flat Rock, Mich., plant or in other U.S. plants using Japanese-style team work practices. Those dissidents may be showing that they are fighting for the workers in the face of union-management collaboration. They think that cooperation is un-unionlike, Inoue said.

When dissidents won a union election at Mazda's Flat Rock plant recently, many were surprised. Shimada suggests Mazda may have moved too quickly to full production at Flat Rock in order to profit from an economy of scale.

Additional workers may not have been trained well enough, Shimada said, adding that communication of labor policies may not have been clear enough. Honda of American Manufacturing took seven to eight years to build up to capacity, while Mazda did it in two years. "It takes time," Shimada said.

Osamu Nobuto, president of the Mazda unit, doesn't agree with Shimada's assessment.

Mazda said the move to full production was not that rapid, and that Mazda has made an effort to keep the union informed of events and to talk to the union representatives on all issues.

"We really don't see very much change at all after the election," Nobuto said. "Rather, it appears that individuals who are popular with the work force were chosen. Although we didn't know at first if there would be any major change, so far it appears we will have very little change in the relationship.

"In fact, both Mr. (Phil) Keeling (president of Local 3000) and Mr. (Greg) Drudi (shop chairman) seem to be very good people. They are quite knowledgeable and understand very well the teamwork concept and 'kaizen' (the concept of continuous improvement)."

Nobuto said, in fact, that Drudi is the eighth highest contributor of suggestions, while Keeling is 18th on the list.

"In my conversations with them, they have pointed out that they are very enthusiastic about kaizen and teamwork. Although many things were said during the campaign, they are quite supportive of what we're trying to do here," he said.

In general, Japanese makers have tended to avoid direct contact with the UAW.

Toyota is officially neutral about the UAW's hopes to organize its plant in Kentucky. But Toyota may be expecting that UAW organization will fail.

"At this time, we believe our human relations and personnel policies are being well received by the employees," said Fujio Cho, president of Toyota Motor Manufacturing. "They can talk to us directly. We haven't heard of anything that would require a third party like the UAW to come in."

Toyota officials appear rather sanguine about the outcome of a union drive, perhaps because of good experiences with the UAW at the New United Motor Manufacturing Inc. plant in Fremont, Calif. But some say the UAW may have worked a little harder to cooperate there in order to emphasize past grievances with General Motos.

"This was an important experiment," said Kan Higashi, NUMMI president. "We can show, yes, it is workable using the most militant, lazy work force here at Fremont. Now, that work force is the most efficient, most cooperative, most innovative, sophisticated work force in the industry. Since we can do it, they can do it."

The UAW recently lost an election at Nissan's Smyrna plant by a two-to-one margin. Nissan had taken a more negative stance toward the UAW from the time it established the plant. Shimada said that was a result of the Nissan's long and difficult relationship with the Japanese union over the years, when the union leader, Ichiro Shioji, had virtual veto power over many corporate decisions at Nissan.

Nissan Motor Manufacturing President Jerry Benefield said, "If this election has a message, it says that you can achieve very high quality and good productivity and still have a very satisfied work force. If you allow people to participate in decisions and develop a relationship of trust, it can be done."

But among the transplants, not all are adverse to dealing with the UAW.

Diamond-Star's Nakane said, "I've heard many stories about the UAW, about how the UAW requested many things from the Big 3 and how the requests sometimes caused problems for managers. For me, those are just stories. We began negotiations with the UAW in April and we're trying to reach a consensus. I hope we get good results."

Automotive News Staff Reporters Mary Ann Maskery, Lindsay Chappell, Dutch Mandel and Jesse Snyder contributed to this report.

INCENTIVES

FROM PAGE 2

equipped with manual transmissions (excluding Ranger S), Taurus, Sable, Tempo, Tempo AWD, Topaz, Topaz AWD, Escort and four-door Tracer; and $1,500 on Thunderbird (excluding SC), Cougar (excluding XR-7) and Tracer two-door models.

The following vehicles are offered with rebates but no low-financing alternative: $300 on Aerostar; $500, F150 4x2 equipped with manual transmission and E150 van (non-converted); $750, F250 4x2, F350 (both 4x2 and 4x4 models), F Super Duty truck and full-sized Bronco; $1,000, Crown Victoria, Grand Marquis, E150 conversion vans and Continental; $1,500, Mark VII and Town Car; $2,000, 1989 Scorpio; $3,000, 1988 Scorpio; and $4,000, XR4Ti.

Ford is offering special lease incentives through its Ford Credit Red Carpet lease program. Lessors get a monthly rate of 2.75 percent of the cost of a vehicle for up to 24 months, 8 percent on leases between 25 and 36 months and 9 percent on leases between 37 and 48 months.

Lease rebates are offered on selected cars leased for 25 to 48 months: $750 on Escort, Tempo, Topaz, Taurus, Sable, Crown Victoria, Grand Marquis, Ranger, Bronco II, Aerostar, full-sized Bronco, Econoline van and Club Wagon; and $1,000 on Thunderbird and Cougar.

● In other incentive news, Cadillac sweetened its rebates on selected models delivered from dealer stock. Buyers of 1989 DeVille and Fleetwood models will receive $1,500 rebates until Sept. 27. The previous rebate on those cars was $1,000. Cadillac continues to offer $1,000 on all 1989 Seville, Eldorado and Brougham models.

● Also, Audi extended its lease program on 1989 models through Sept. 30. The program originally was scheduled to end July 31. Audi is offering 36-month leases with payments comparable to those traditionally available only with long-term leases or finance contracts.

● Mitsubishi also announced dealer incentives on 1989 models. During August, Mitsubishi will give cash awards for the number of 1988 and 1989 Mitsubishi pickups, vans, wagons and Monteros sold.

If the dealer sells six or fewer of those models, he receives $500 per vehicle; if he sells seven to 13 vehicles, he receives $1,000 per vehicle unit; and if he sells 14 or more, he receives $1,500 per unit (retroactive to the seventh unit sold). Vehicles sold at retail or leased are eligible for the dealer rebate.

The program will continue on those vehicles in September. Montero models, including lease vehicles, will receive an extra $1,000 bonus during September. There are no sales target requirements for the Montero September bonus.

Mitsubishi is offering a first-time buyer program in California from Aug. 1 to Sept. 30. It offers those buyers more favorable finance rates through Mitsubishi Acceptance Corp. No dealer incentive money will be paid on units sold through the California first-time buyer program.

During August and September, Mitsubishi will give dealers incentives on Mirage, Galant, Sigma, Montero, Wagon, Van, Starion, pickups and Precis. The payments are: zero to five sold, no payout per unit; six to 10, $800 per unit; 11 to 15, $1,000 per unit; 16 or more, $1,500 per unit retroactive to the 11th unit sold.

There is also a bonus program in August and September. For every three- and four-door Mirage sold, the dealer receives a $1,000 bonus; for every two-door Montero, $1,000; for every four-door Montero, $500; and for every three-door Precis, (except the PR24DL model), $300. There are no sales targets for the August bonus program.

INCENTIVE WATCH

	Customer Incentives						Dealer Incentives	
	Rebates	Finance Rates (Pct.) — Months — 24	36	48	60	Expiration Date	Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$300 - $1,000	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $21,500							
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $1,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive. *Chevrolet's rebate program has no expiration date.								
Alfa Romeo							$1,000 - $6,000	Aug. 31
BMW 735i			8.5	9.0	9.5	Aug. 31		
735iL, 750iL			8.5	9.0	9.5	Aug. 31		
Daihatsu							$300 if meet sales quota	Sept. 5
Honda							Up to $500	Aug. 31
Hyundai	$300 - $1,000					Sept. 5	$300 - $800, some based on quota	Sept. 5
Isuzu Impulse							$2,000	
Other Cars, Trucks							$300 - $1,000, based on quota	
Jaguar	$5,000					Sept. 18		
*To owners of 1988 Jaguar Sedans								
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. [illegible]
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling		4.9	5.9	6.9	6.9	Aug. 31	$1,000 - $2,750	Aug. 31
Subaru	$1,000 - $1,000*					Aug. 31	$1,000 - $3,000*	Sept. 5
*Rebates go to the customer in some regions and to the dealer in other regions.								
Toyota Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$500 - $2,000	4.9	4.9	7.9	9.9	Sept. 4		

CORRADO

FROM PAGE 2

ing price in the ads — it will be a component — because it is a factor."

To target younger buyers, VW will begin its advertising campaign with national and cable television spots, along with "screen vision" — movie-theater advertising. It will be VW's first attempt at using this medium in its marketing plans.

VW will also use direct-mail marketing. More than a half-million questionnaires will go to Corrado prospects, followed by a direct mail package that includes printed product literature and a Corrado video.

Each direct-mail recipient will also get an invitation to test drive the car. Both Young and William A. Gelgota, VW marketing director, declined to divulge Corrado's advertising budget.

Young well understands the need for the new Corrado — and, later, Passat and Golf Rallye — to be accepted by U.S. car buyers.

"We have to price our products to be competitive in this market," he said.

Young said if all goes as planned, the new Passat will be in dealers' showrooms at the end of February 1990, fitted with an optional automatic transmission. There is no introduction date yet for the high-performance Golf Rallye.

Young said that VW will do what it must to be successful in this country, a marketplace where the small-car segment is shrinking overall.

While the Corrado is an enthusiast's car, it is not a vehicle with enough mainstream appeal to immediately right the VW sales ship, Young said.

"What will rebuild the franchise is focusing the franchise back on value," he said.

G60

FROM PAGE 2

are similar, a supercharged engine is belt-driven. Both devices compress air into the engine's cylinders to increase power, but the supercharger does so continuously, while the turbo relies on engine exhaust gasses.

One of the simple advantages of supercharging: the belt-driven boosted air pressure can be kept constant, making it easier to control.

VW strengthened the cylinder head and head gasket, pistons and wrist pins of the 1.8-liter engine to cope with increased engine output.

With the G-Charger, VW is able to generate substantial performance from the relatively small engine; it delivers 158 horsepower and 166 pounds-feet of torque and moves the car from zero to 60 mph in 7.5 seconds. VW pegs the top speed of the Corrado at 140 mph.

VW officials said there are no plans to introduce a four-wheel-drive version of the Corrado and no near-term plans to import an automatic-transmission model.

The Corrado G60's suspension is independent at all corners, with MacPherson struts up front coupled to coil springs and stabilizer bar. The rear suspension, a torsion beam axle with track-correcting bushings to enhance turn-in, is fitted with shocks, coil springs and stabilizer bar.

Corrado has the largest disc brakes VW has ever used, with the front discs vented for increased cooling. An anti-lock braking system is optional.

The Corrado is fitted with low-profile 195VR60/15 radial tires.

The Corrado's exterior is evocative of past VWs — no swoopy lines, no jelly-bean shapes. Penned by Volkswagen Design, the muscular-looking Corrado is built by Wilhelm Karmann GmbH, one of Europe's master coachbuilders.

Aerodynamic devices — including an integrated bumper and low front spoiler fitted with flush fog lights and headlamps; door-mounted mirrors; and a rear-bumper-mounted valance panel — help the Corrado achieve a low drag coefficient of 0.32.

One device the Corrado shares with the newly introduced Porsche Carrera 4 is a speed-actuated rear spoiler. It extends at speeds greater than 45 mph, and it retracts when the car cruises at speeds below 12 mph. The effect reduces aerodynamic lift on the car by as much as 65 percent.

Standard equipment on the Corrado includes air conditioning, height-adjustable seats, electrically adjustable and heated outside mirrors, rear window wiper and an anti-theft Heidelberg IV AM/FM cassette stereo with six speakers.

A new power window system allows both side windows to be opened or closed — even when the engine is turned off — before the driver opens the door to leave the car. Both driver and passenger windows have one-touch down actuation, and both can be closed from the outside by putting the key in the door lock and turning it beyond the lock position.

Corrado dimensions: wheelbase, 97.3; length, 159.4 inches; width, 65.9 inches; height, 51.9 inches; curb weight, 2,660 pounds.

SALES

DOMESTIC CAR SALES

	July 21, to July 31, 1989	Same Period, 1988	July 1989	Same Month, 1988	Jan. 1, to July 31, 1989	Same Period, 1988
Alliance	0	40	0	111	0	3,807
Eagle	0	0	0	0	0	1,392
Premier	1,238	1,524	3,565	3,805	26,854	22,293
Total Eagle	1,238	1,564	3,565	3,916	26,854	27,492
Horizon	2,336	3,406	4,036	7,137	19,968	34,943
Laser	804	0	2,097	0	10,915	0
Sundance	3,300	3,419	6,752	9,047	46,810	52,226
Turismo	0	0	0	0	0	1,115
Reliant	1,151	2,453	2,991	6,429	22,468	72,126
Acclaim	2,538	0	8,009	0	51,086	0
Caravelle	0	191	0	542	733	10,829
Gran Fury	0	572	0	1,454	1,443	9,038
Total Plymouth	10,129	10,141	23,885	24,609	153,423	180,277
LeBaron K	0	649	0	1,626	787	15,964
LeBaron J	2,150	3,216	6,174	8,470	54,154	65,401
LeBaron GTS	167	515	392	1,344	3,113	10,140
Fifth Avenue	363	485	938	1,359	8,703	27,757
New Yorker C	1,692	2,204	5,736	6,806	56,359	41,330
New Yorker E	0	20	0	95	237	14,285
Total Chrysler	4,372	7,089	13,240	19,700	123,353	174,857
Omni	2,125	3,261	3,812	6,999	20,093	33,898
Shadow	3,166	2,955	6,829	8,090	46,664	55,913
Charger	0	0	0	0	0	1,022
Daytona	1,886	2,588	5,447	6,877	44,842	47,765
Aries	892	1,979	2,806	5,918	22,534	64,211
Lancer	122	352	305	688	2,060	6,843
Spirit	1,449	0	5,596	0	43,047	0
Diplomat	0	490	0	1,369	2,551	13,596
Dynasty	2,066	1,868	6,828	5,255	71,823	43,152
Dodge 600	0	211	0	533	808	9,937
Total Dodge	11,706	13,704	31,623	35,929	254,422	276,137
CHRYSLER MOTORS	27,445	32,498	72,313	84,154	558,052	658,763
Escort	12,496	13,107	31,936	33,817	206,318	225,888
Mustang	4,871	4,440	13,815	11,941	111,595	111,371
Tempo	6,043	9,963	17,402	23,780	136,836	170,868
Taurus	9,192	10,323	29,369	30,016	214,809	240,989
Thunderbird	3,489	4,316	9,506	10,575	72,388	79,007
Probe	4,899	3,266	13,100	7,447	83,746	26,284
Crown Victoria	4,441	3,281	10,782	8,596	65,104	72,700
Total Ford Div.	45,231	48,696	125,910	126,172	890,796	927,107
Lynx/Tracer	2,623	2,089	6,684	4,859	39,104	35,915
Topaz	2,500	3,217	6,900	8,314	54,398	52,971
Sable	4,134	4,279	9,294	10,097	70,470	76,990
Cougar	3,289	4,253	8,231	10,076	60,949	69,864
Grand Marquis	5,574	3,759	11,747	9,383	65,939	70,403
Total Mercury	18,120	17,597	42,856	42,729	290,860	306,143
Continental	2,023	644	4,842	1,988	34,295	23,550
Lincoln	4,212	3,322	10,518	8,923	69,578	73,311
Mark VII	1,150	598	2,442	1,520	17,911	12,795
Total Lincoln	7,385	4,564	17,802	12,431	121,784	109,656
Total L-M Division	25,505	22,161	60,658	55,160	412,644	415,799
FORD MOTOR CO.	70,736	70,857	186,568	181,322	1,303,440	1,342,906
Skyhawk	510	552	1,513	1,344	12,480	16,918
Somerset/Skylark	1,596	2,573	5,255	5,858	41,853	37,888
Century	3,777	4,258	9,278	9,550	77,201	68,723
Regal	2,087	3,807	6,101	8,686	48,738	71,813
LeSabre	5,771	3,980	15,468	8,521	82,431	87,752
Reatta	218	140	696	323	4,911	1,957
Electra	2,081	3,033	6,703	6,670	46,386	48,508
Riviera	491	167	1,473	488	11,773	5,675
Total Buick	16,531	18,510	46,487	41,440	325,773	339,232
Cimarron	0	159	0	569	232	4,266
Allante	160	125	367	371	2,034	2,163
Seville	370	838	903	2,178	14,798	12,789
DeVille	4,736	5,373	12,327	12,696	95,182	90,048
Brougham	853	1,743	2,371	3,723	21,105	24,108
Eldorado	847	1,505	2,026	3,210	19,238	17,558
Total Cadillac	6,966	9,743	17,994	22,747	152,589	150,932
Chevette	0	6	0	14	0	205
Geo Prizm/Nova	3,187	2,641	8,888	6,398	43,303	68,404
Cavalier	8,377	10,287	23,884	27,621	178,540	184,476
Camaro	2,880	3,091	9,064	8,041	69,121	61,096
Celebrity	2,860	7,024	9,161	18,126	121,309	156,630
Corsica/Beretta	9,366	12,936	31,990	37,787	231,218	260,301
Lumina/Monte Carlo	4,781	819	12,313	2,152	35,906	23,715
Caprice	6,028	5,368	15,870	15,163	97,187	105,061
Corvette	773	892	2,448	1,784	12,623	15,328
Total Chevrolet	38,272	42,864	113,618	117,086	789,207	875,216
Firenza	0	185	0	434	12	7,080
Calais	3,442	3,908	8,869	9,880	56,899	64,712
Cutlass Ciera	5,607	9,117	15,748	21,741	119,145	141,600
Cutlass Supreme	3,047	3,249	7,326	8,811	58,264	63,131
Olds 88	4,749	3,408	12,364	9,545	87,273	104,364
Olds 98	2,057	2,716	5,319	6,524	42,385	44,575
Toronado	310	435	583	1,251	4,604	10,140
Total Oldsmobile	19,212	23,018	50,211	58,186	368,582	435,611
Fiero	0	777	0	1,906	1,961	17,585
Pontiac 1000	0	0	0	0	0	154
Sunbird	2,674	3,583	8,009	5,804	58,597	50,904
Firebird	1,732	1,950	5,637	4,388	40,532	38,029
Grand Am	5,982	6,537	16,568	15,461	121,534	143,221
Pontiac 6000	1,815	2,507	5,161	6,227	43,579	61,616
Grand Prix	2,792	3,863	7,445	9,096	71,348	53,827
Bonneville H	2,194	2,254	6,363	5,524	53,901	70,335
Paris./Safari	140	183	428	452	2,890	4,256
Total Pontiac	17,329	20,654	49,611	48,858	394,342	439,728
GENERAL MOTORS	98,310	114,789	277,921	288,317	2,030,493	2,240,719
HONDA	13,966	13,066	33,764	29,125	226,908	214,001
Civic	5,845	5,409	14,643	11,668	101,944	60,013
Accord	8,121	7,657	19,121	17,457	124,964	153,988
MAZDA	2,024	2,052	3,772	3,023	25,957	17,026
MITSUBISHI	1,175	0	2,883	0	14,113	0
NISSAN	4,477	5,373	10,017	10,161	60,623	60,118
TOYOTA	8,748	3,860	16,171	6,434	104,658	34,005
VOLKSWAGEN	0	0	0	0	0	24,939
DOMESTIC TOTAL	226,881	242,495	603,499	602,548	4,324,244	4,592,479
IMPORT TOTAL			242,762	257,609	1,650,769	1,791,840
INDUSTRY TOTAL			846,171	860,155	5,975,013	6,384,319

U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

July sales trail 1988 as imports falter

By Philly Martha
AUTOMOTIVE NEWS STAFF REPORTER

Sales of domestic cars rose slightly in July but could not offset import-car losses. Combined car deliveries were the leanest for any July since depressed 1982.

New-car deliveries lagged 1.63 percent behind last July's weak total when there were fewer factory incentives.

This year's total was 846,171 compared to 860,155 last year.

Sales of U.S.-built cars rose 0.14 percent, or 863 units above last July. This year's count was 603,409.

Even though more than a third of the import lines had year-to-year increases in July, import car sales fell 5.76 percent to 242,762 from 257,609, a year ago.

Audi posted a gain of 61.29 percent. In mid-July NHTSA vindicated the German car firm of unintended-acceleration charges.

On the domestic side, Ford Motor Co. and three Japanese transplants sold more cars in July than they did last year.

This year, the Big 3 U.S. automakers lost nearly a point of the U.S. car market.

With their captives, they took 67.15 percent of total car sales, down from 67.97 percent last July.

Ford boosted its combined car share by a point while General Motors' share dipped 0.42 percent and Chrysler Motors' share dropped 1.41 percent.

The Japanese manufacturers' share rose 1.73 percent, while European and Korean companies' combined shares dropped 0.91 percent from a year ago.

Although domestic-car sales improved in early July and mid-July this year, the final period fell 6.44 percent below last year's.

For the full month, Ford had an increase of 2.89 percent. Each of its divisions sold more cars in July than they did last year.

GM's U.S.-built car sales fell 3.61 percent although Buick and Pontiac reported gains. Chrysler's domestic-car sales slumped 14.07 percent from the total for July 1988.

Nissan was the only transplant to report a loss; it was down 1.42 percent in July.

Honda strengthened its deliveries by 15.93 percent and Mazda sold 24.78 percent more U.S.-built MX-6s in July. Toyota's domestic sales doubled last year's. Mitsubishi, which was not selling U.S.-built Eclipse models here in 1988, delivered 2,883 cars in July.

MARKET SHARES, July 1989

	Total Sales	Pct. of Total
SUBCOMPACT	101,167	11.96
COMPACT	149,218	17.63
INTERMEDIATE	238,315	28.17
STANDARD	111,196	13.14
SPECIALITY	3,511	0.41
IMPORT	242,762	28.69
TOTAL	846,171	100.00

IMPORTED CAR SALES

	July 1989	July 1988	7 Mos., 1989	7 Mos., 1988
Acura	12,765	11,064	83,825	72,367
Alfa Romeo	225	339	1,928	3,047
Audi	2,658	1,648	11,968	13,381
BMW	5,018	5,913	39,867	40,699
Chevrolet	10,287	10,493	67,705	74,840
Chrysler	659	1,001	4,739	6,680
Daihatsu	1,215	1,120	8,042	6,393
Dodge	2,740	3,889	22,770	32,821
Ford	7,001	5,854	43,427	41,123
Eagle	1,451	459	15,616	9,027
Honda	26,442	23,978	142,222	145,240
Hyundai	13,598	18,160	111,888	166,653
Isuzu	1,861	2,590	11,454	14,185
Jaguar	1,472	1,539	10,837	11,436
Maserati*	17	50	180	560
Mazda	21,258	19,078	129,549	135,224
Mercedes-Benz	6,403	6,880	42,668	50,946
Mercury	1,076	1,978	5,570	8,382
Mitsubishi	5,182	5,940	42,819	40,980
Nissan	33,014	27,246	245,855	215,682
Peugeot	515	534	3,582	4,016
Plymouth	2,380	3,451	21,089	29,663
Pontiac	5,855	3,727	32,774	36,161
Porsche	1,168	1,336	5,722	10,142
Saab	3,636	3,516	19,828	22,857
Sterling	470	705	3,821	5,653
Subaru	13,364	11,471	87,088	87,195
Suzuki	430	0	3,239	0
Toyota	39,899	59,602	278,555	343,060
Volkswagen	10,424	11,831	83,515	85,025
Volvo	9,173	8,769	62,216	58,390
Yugo	1,106	3,448	6,411	19,992
TOTAL	242,762	257,609	1,650,769	1,791,840

*—estimate

U.S. CAR SALES BY MARKETING UNITS

	July 1989	Percent Share	July 1988	Percent Share	7 Mos., 1989	Percent Share	7 Mos., 1988	Percent Share
Alfa Romeo	225	0.03	339	0.04	1,928	0.03	3,047	0.05
American Honda	72,971	8.62	64,167	7.46	452,955	7.58	431,608	6.76
BMW	5,018	0.59	5,913	0.69	39,867	0.67	40,699	0.64
Buick	48,487	5.49	41,440	4.82	325,773	5.45	339,232	5.31
Cadillac	17,994	2.13	22,747	2.64	152,589	2.55	150,932	2.36
Chevrolet	123,905	14.64	127,579	14.83	856,912	14.34	950,056	14.88
Chrysler	13,899	1.64	20,701	2.41	128,092	2.14	181,537	2.84
Daihatsu	1,215	0.14	1,120	0.13	8,042	0.13	6,393	0.10
Dodge	34,363	4.06	39,818	4.63	277,192	4.64	308,958	4.84
Eagle	5,016	0.59	4,375	0.51	42,470	0.71	36,519	0.57
Ford	132,911	15.71	132,026	15.35	934,223	15.64	968,230	15.17
Hyundai	13,598	1.61	18,160	2.11	111,888	1.87	166,653	2.61
Isuzu	1,861	0.22	2,590	0.30	11,454	0.19	14,185	0.22
Jaguar	1,472	0.17	1,539	0.18	10,837	0.18	11,436	0.18
Lincoln	17,802	2.10	12,431	1.45	121,784	2.04	109,656	1.72
Maserati*	17	0.00	50	0.01	180	0.00	560	0.01
Mazda	25,030	2.96	22,101	2.57	155,506	2.60	152,252	2.38
Mercedes	6,403	0.76	6,880	0.80	42,668	0.71	50,946	0.80
Mercury	43,932	5.19	44,707	5.20	296,430	4.96	314,525	4.93
Mitsubishi	8,065	0.95	5,940	0.69	56,932	0.95	40,980	0.64
Nissan	43,031	5.09	37,407	4.35	306,478	5.13	275,800	4.32
Oldsmobile	50,211	5.93	58,186	6.76	368,582	6.17	435,611	6.82
Peugeot	515	0.06	534	0.06	3,582	0.06	4,016	0.06
Plymouth	26,265	3.10	28,060	3.26	174,512	2.92	209,940	3.29
Pontiac	55,466	6.55	52,585	6.11	427,116	7.15	475,889	7.45
Porsche	1,168	0.14	1,336	0.16	5,722	0.10	10,142	0.16
Saab	3,636	0.43	3,516	0.41	19,828	0.33	22,857	0.36
Sterling	470	0.06	705	0.08	3,821	0.06	5,653	0.09
Subaru	13,364	1.58	11,471	1.33	87,088	1.46	87,195	1.37
Suzuki	430	0.05	0	0.00	3,239	0.05	0	0.00
Toyota	56,070	6.63	66,036	7.68	383,213	6.41	377,085	5.91
Volvo	9,173	1.08	8,769	1.02	62,216	1.04	58,390	0.91
VWoA	13,082	1.55	13,479	1.57	95,483	1.60	123,345	1.93
Yugo	1,106	0.13	3,448	0.40	6,411	0.11	19,992	0.31
TOTAL	846,171	100.00	860,155	100.00	5,975,013	100.00	6,384,319	100.00
TOTAL GM	294,063	34.75	302,537	35.17	2,130,972	35.67	2,351,720	36.84
TOTAL FORD	194,645	23.00	189,164	21.99	1,352,437	22.63	1,392,411	21.81
TOTAL CHRYSLER	79,543	9.40	92,954	10.81	622,266	10.41	736,964	11.54
TOTAL JAPANESE	222,037	26.24	210,832	24.51	1,464,907	24.52	1,385,498	21.70
TOTAL EUROPEAN	42,285	5.00	46,508	5.41	292,543	4.90	351,083	5.50
TOTAL KOREAN	13,598	1.61	18,160	2.11	111,888	1.87	166,653	2.61

*—Estimate. Big 3 totals include their captive imports. Percent share may contain error of one or two points due to rounding.
Sales charts compiled by Karen Dabrowski

U.S. output edging back to normal

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Weekly auto output continues to climb back to normal levels as summer model changeovers and vacation closures wind down.

Automakers scheduled assembly of 86,988 cars last week, 3.17 percent more than the prior week's 84,312 and 4.99 percent above the year-ago week's 82,853.

The year-ago week's output also was affected by downtime for model changeovers and vacations.

Companies split last week's targeted production as follows: General Motors, 22.43 percent; Ford Motor Co., 36.97 percent; Chrysler Motors, 14.71 percent; Honda of America Manufacturing, 8.75 percent; New United Motor Manufacturing Inc., 4.60 percent; Toyota Motor Manufacturing U.S.A., 4.22 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.01 percent; Diamond-Star Motors, 2.99 percent; and Nissan Motor Manufacturing Corp. U.S.A., 2.32 percent.

Truck output also is edging back to normal. The makers scheduled 73,784 units last week, 11.69 percent more than the previous week's 66,060 and 14.67 more than the year-ago week's 64,346.

Year-to-date, 2,582,353 trucks have been produced, 4.34 percent more than the 2,475,007 assembled at this time last year.

GM's Doraville, Ga., and Fairfax, Kan., plants were expected to resume output today after being idled by a material shortage. GM's Lansing, Mich., plant is slated to reopen this week after being closed for model changeover.

GM's Detroit truck plant remains closed until Aug. 21 for changeover. The Wentzville, Mo., plant resumed production last week after changeover downtime.

Three Ford plants were expected to reopen today. They are: Edison, N.J.; Twin Cities, Minn.; and Louisville, Ky. All three were idled because of slow sales.

GM closings cut Canadian totals

Five General Motors plants and two others were shut down for vacations and model changeovers in Canada last week causing production to drop significantly from the previous week's build.

Scheduled output of 11,909 cars last week dipped 24.35 percent from the prior week's 15,743 but nearly doubled last year's 6,162.

Truck production was targeted at 8,595 units last week, 31.68 percent below the prior week's 12,580 but 8.76 percent above the year-ago week's 7,903.

GM shut down all five of its Canadian plants last week for model changeover and vacation. Output is expected to resume Aug. 14 at Scarborough, Ontario, and the three plants in Oshawa, Ontario, and Aug. 28 at Ste. Therese, Quebec.

Toyota Motor Manufacturing Canada closed its Cambridge, Ontario, plant for vacation last week.

Volvo's plant in Halifax, Nova Scotia, also was idle for vacation last week.

U.S. CAR	Week Ended Aug. 5, 1989	Week Ended Aug. 6, 1988	Week Ended July 29, 1989	July Est.	Jan. 1 to Aug. 5, 1989	Jan. 1 to Aug. 6, 1988
Horizon	1,100	0	1,158	4,505	17,426	53,889
Sundance	100	2,873	0	1,984	64,661	64,895
Reliant	0	0	0	0	0	56,260
Acclaim	2,500	0	328	2,688	73,580	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	0	0	0	0	15,047
Total Plymouth	3,700	2,873	1,486	9,177	155,667	199,178
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,100	0	1,555	3,047	60,000	45,703
LeBaron GTS	0	289	0	0	2,946	5,916
N. Yorker C-Class	800	612	271	431	58,567	63,733
Fifth Avenue	800	0	0	160	800	15,794
Total Chrysler	3,700	901	1,826	3,638	122,313	139,058
Omni	1,200	0	1,192	4,785	18,934	52,602
Daytona	1,300	0	1,165	2,075	49,651	44,964
Shadow	100	2,496	0	1,739	61,512	63,656
Aries	0	0	0	0	0	54,570
Dodge 600	0	0	0	0	0	8,549
Dynasty	2,100	777	528	948	85,906	60,166
Lancer	0	180	0	0	1,528	5,728
Spirit	700	0	326	1,590	61,318	0
Diplomat	0	0	0	0	0	12,368
Total Dodge	5,400	3,453	3,211	11,137	278,849	302,603
CHRYSLER MOTORS	12,800	7,227	6,523	23,952	556,829	640,839
Escort	5,213	7,481	5,480	14,616	188,074	229,652
Mustang	4,432	3,409	3,880	8,819	129,081	121,944
Tempo	2,883	3,622	2,311	5,621	89,165	114,099
Taurus	7,900	6,528	7,854	9,434	221,020	235,950
Thunderbird	2,457	0	2,726	6,081	96,400	90,246
Total Ford Div.	22,885	21,040	22,251	44,571	723,740	791,891
Topaz	1,237	1,524	1,627	3,804	41,826	42,975
Cougar	2,460	0	2,676	6,052	82,091	69,686
Sable	2,440	2,184	2,375	2,863	71,330	80,804
Total Mercury	6,137	3,708	6,678	12,519	195,247	193,465
Continental	1,052	818	1,002	2,401	40,836	25,961
Mark VII	0	417	348	713	13,978	14,123
Lincoln	2,089	1,246	2,093	4,859	76,569	78,950
Total Lincoln	3,141	2,481	3,443	7,973	131,383	119,034
Total L-M Division	9,278	6,189	10,121	20,493	326,630	312,499
FORD MOTOR CO.	32,163	27,229	32,372	65,064	1,050,370	1,104,390
Skyhawk	0	4	0	0	6,913	9,955
Skylark/Somerset	0	0	0	3,825	34,873	28,172
Century	658	121	2,075	10,020	75,358	64,323
Riviera	0	0	0	0	11,348	3,642
Electra	1,516	749	0	303	44,824	52,044
LeSabre (fwd)	0	1,464	0	5,222	90,007	76,551
LeSabre (rwd)	0	172	25	148	4,102	6,269
Reatta	0	0	0	0	3,140	5,455
Total Buick	2,174	2,510	2,100	19,318	270,565	246,411
Cimarron	0	0	0	0	0	3,693
Eldorado	0	0	0	0	19,103	23,410
Seville	0	0	0	0	13,997	14,488
Brougham (rwd)	0	350	0	1,870	21,933	18,728
Deville (fwd)	3,733	0	2,272	3,576	120,078	97,287
Allante	75	0	77	305	1,998	1,135
Total Cadillac	3,808	350	2,349	5,751	177,109	158,741
Cavalier	6,207	3,934	6,294	21,935	228,635	213,628
Camaro	0	0	0	0	64,591	54,287
Celebrity	0	1,839	0	1,727	70,349	107,562
Corsica/Beretta	0	8,880	0	7,983	229,026	240,637
Caprice	0	4,130	1,254	8,450	112,761	125,488
Corvette	560	452	560	2,240	16,533	13,106
Total Chevrolet	6,767	19,235	8,108	42,335	721,895	754,708
Calais	0	0	0	4,524	56,481	65,250
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	313	0	2,019	9,805	55,842	13,551
Cutlass Supreme	0	0	0	1,397	52,522	90,480
Toronado	0	0	0	0	4,845	10,209
88 (fwd)	0	2,311	0	1,453	85,904	92,274
88 (rwd)	0	225	0	674	5,065	7,425
Olds 98	1,315	652	796	1,247	44,292	45,781
Total Oldsmobile	1,628	3,188	2,815	19,100	304,951	330,200
Sunbird	2,852	1,269	3,499	7,017	90,475	62,824
Grand Am	0	838	0	12,727	143,815	139,172
Firebird	0	0	0	0	35,352	37,613
Grand Prix	0	0	0	2,221	71,786	71,916
Pontiac 6000	348	1,123	1,532	6,319	49,159	43,606
Bonneville	1,929	1,858	0	386	53,609	64,659
Safari/Parisienne	0	130	0	0	2,691	4,904
Fiero	0	494	0	0	0	12,589
Total Pontiac	5,129	5,712	5,031	28,670	446,887	437,285
GENERAL MOTORS	19,506	30,995	20,403	115,173	1,921,407	1,927,345
DIAMOND-STAR	2,597	0	1,889	5,605	34,155	0
HONDA	7,610	7,454	7,665	23,522	227,207	218,808
Civic	2,670	2,336	2,872	8,450	77,804	61,537
Accord	4,940	5,118	4,793	15,072	149,403	157,271
MAZDA†	2,617	3,814	4,277	12,785	121,387	64,047
NISSAN	2,020	2,682	3,192	6,032	69,393	61,863
NUMMI	4,000	3,252	4,286	15,954	123,007	94,913
Corolla	1,600	1,174	1,781	6,583	49,673	34,776
Geo Prizm/Nova	2,400	2,078	2,505	9,371	73,334	60,137
TOYOTA	3,675	0	3,705	13,528	74,991	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	86,986	82,853	84,312	281,616	4,178,736	4,147,800
Total Cars, Canada	11,909	6,162	15,743	51,449	582,143	661,982
U.S., Canada Cars	98,895	89,015	100,055	333,065	4,760,879	4,809,782
U.S., Canada Cars and Trucks	181,679	161,394	178,695	598,317	7,009,249	7,255,789

Weekly estimates may exclude some of cars or trucks due to rounding.
†—Data includes the Ford-built Ford Festiva.

CANADIAN CAR	Week Ended Aug. 5, 1989	Week Ended Aug. 6, 1988	Week Ended July 29, 1989	July Est.	Jan. 1 to Aug. 5, 1989	Jan. 1 to Aug. 6, 1988
Premier	871	0	25	199	23,266	38,984
CHRYSLER MOTORS	871	0	25	199	23,266	38,984
Tempo	2,688	2,022	0	538	75,363	108,232
Topaz	1,440	911	0	288	32,267	39,026
Crown Victoria	2,580	1,093	2,097	2,613	73,456	77,500
Grand Marquis	2,580	1,146	2,065	2,581	79,091	77,744
FORD MOTOR CO.	9,288	5,172	4,162	6,020	260,177	302,502
Celebrity	0	70	501	3,519	15,231	13,031
Cutlass Ciera	0	266	2,609	9,363	95,976	155,390
Lumina	0	0	6,066	21,279	81,640	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	0	0	0	3,206	43,462	94,639
GENERAL MOTORS	0	336	9,176	37,367	236,309	292,735
HONDA	1,750	654	1,750	5,315	49,160	23,373
TOYOTA	0	0	450	1,864	8,044	0
VOLVO	0	0	180	684	5,187	4,388
Total Cars, Canada	11,909	6,162	15,743	51,449	582,143	661,982

U.S. TRUCK☆	Week Ended Aug. 5, 1989	Week Ended Aug. 6, 1988	Week Ended July 29, 1989	July Est.	Jan. 1 to Aug. 5, 1989	Jan. 1 to Aug. 6, 1988
Caravan	500	1,001	31	3,431	62,688	56,273
Dakota	1,500	830	1,163	1,645	57,764	63,234
Caravan C/V	0	58	2	8	4,520	8,839
Ram pickups	1,500	827	1,157	1,642	57,865	41,716
Total Dodge	3,500	2,716	2,353	6,726	182,837	170,062
Cherokee	4,200	0	4,040	8,383	133,924	105,621
Comanche	400	0	517	950	18,023	27,001
Grand Wagoneer	300	0	270	330	6,849	8,215
Wagoneer	100	0	67	157	5,224	6,232
Total Jeep	5,000	0	4,894	9,820	164,020	147,069
Voyager	500	960	9	3,136	59,234	52,244
Town & Country	0	0	2	286	1,874	0
Total C-P Div.	500	960	11	3,422	61,108	52,997
CHRYSLER MOTORS	9,000	3,676	7,258	19,968	407,965	377,392
Aerostar	4,000	4,030	3,865	8,582	139,494	117,919
Bronco	1,439	175	1,158	3,071	47,307	34,829
Bronco II	2,102	2,827	0	2,104	73,471	76,421
Econoline	4,156	4,124	4,130	8,818	141,262	140,988
Heavy trucks	1,230	1,447	1,305	2,839	38,815	39,731
Light trucks	8,979	8,348	9,036	21,967	322,010	295,685
Ranger	3,869	7,361	0	5,543	192,339	211,415
Total Ford Div.	25,775	28,312	19,494	52,924	952,698	916,988
FORD MOTOR CO.	25,775	28,312	19,494	52,924	952,698	916,988
Astro	2,975	3,053	2,984	11,979	101,240	106,646
Blazer	540	0	535	2,158	17,426	16,593
Mediums/Heavies	375	1,000	310	1,155	6,486	10,967
P-Model	0	0	0	1,995	20,749	24,261
Pickups	8,322	6,550	8,597	32,281	246,852	208,130
S-10	4,954	5,025	5,611	20,676	164,665	180,888
S-10 Blazer	3,827	2,410	3,882	15,883	119,725	103,059
Sportsvan/Van	1,394	1,976	2,177	8,076	60,202	56,370
Suburban	1,457	0	1,566	6,205	48,687	44,569
Total Chevrolet	23,844	20,014	25,662	100,409	782,313	751,483
Jimmy	161	0	156	620	5,157	4,822
Mediums/Heavies	575	503	636	2,444	10,341	24,321
P-Model	0	0	0	483	2,916	3,309
Pickups	2,218	1,689	1,769	9,637	73,133	64,672
S-15	1,162	778	418	3,812	37,471	41,109
S-15 Jimmy	1,133	2,088	1,078	4,183	33,284	26,905
Safari	785	774	759	3,061	26,263	27,114
Suburban	647	0	546	2,164	19,022	19,689
Vandura/Rally Vans	1,066	397	280	2,115	16,740	21,677
Total GMC	7,747	6,229	5,642	28,519	218,386	233,618
GENERAL MOTORS	31,591	26,243	31,304	128,928	1,000,699	985,101
NAVISTAR	1,750	1,951	1,750	3,850	50,376	50,964
NISSAN	2,218	1,414	2,804	5,353	72,425	59,862
AM GENERAL	450	450	450	1,800	13,980	13,860
MISCELLANEOUS	3,000	2,300	3,000	11,300	84,600	70,840
Total Trucks, U.S.	73,784	64,348	66,060	224,123	2,582,353	2,475,007

CANADIAN TRUCK	Week Ended Aug. 5, 1989	Week Ended Aug. 6, 1988	Week Ended July 29, 1989	July Est.	Jan. 1 to Aug. 5, 1989	Jan. 1 to Aug. 6, 1988
Caravan	1,763	1,859	1,677	4,050	84,064	83,669
Caravan C/V	107	117	3	169	7,158	8,092
Ram Wagon	0	507	0	428	15,578	14,276
Ram Van	0	1,336	0	857	39,800	38,174
Total Dodge	1,870	3,819	1,680	5,504	146,600	144,211
Voyager	1,450	1,324	1,555	3,618	74,732	75,488
Total Plymouth	1,450	1,324	1,555	3,618	74,732	75,488
Wrangler	1,377	874	1,425	3,200	47,446	28,617
Total Jeep	1,377	874	1,425	3,200	47,446	28,617
CHRYSLER MOTORS	4,697	6,017	4,660	12,322	268,778	248,316
FORD MTR (lt. trks.)	3,648	1,689	2,921	3,651	95,863	97,689
Light trucks	0	0	3,043	14,125	97,446	86,669
Vans	0	0	0	2,160	36,743	35,105
Total Chevrolet	0	0	3,043	16,285	134,189	123,774
Light trucks	0	0	1,882	4,226	42,361	45,386
Vans	0	0	0	1,053	18,057	18,604